

THE SECRETARY OF STATE
WASHINGTON

December 5, 1983

~~SECRET~~

MEMORANDUM FOR: THE VICE PRESIDENT
FROM : George P. Shultz *GPS*
SUBJECT : Your Trip to Argentina and El Salvador

I. SETTING

Your trip comes at a historic moment for Argentina and provides an excellent opportunity to reinforce, in both Argentina and El Salvador, the President's oft-stated commitment to democracy and human rights. This will be the key message to deliver.

II. IN ARGENTINA

Your presence at the inauguration will dramatize our support for Argentine democracy and our commitment to strengthening relations with the new Argentine government. President-elect Alfonsin's sizable victory in the October 30 elections gives his new government a strong mandate to promote national recovery and an historic opportunity to end the long cycle of political instability and de facto governments which have beset this potentially strong nation. While we perceive no immediate threat from the discredited military or the extreme left, this nascent democracy still faces serious economic problems and powerful and entrenched anti-democratic interests.

Now that human rights has ceased to be the dominant problem in our relations and acute Argentine sensitivities over our support for the British in the Falklands/Malvinas dispute have begun to ease, there are new opportunities on both bilateral and multilateral issues to seek closer cooperation. Argentina has also looked to us to support their position in the negotiations with the IMF and commercial banks on their economic program and the terms on their external debt.

On territorial disputes, we want to encourage Alfonsin's inclination to seek their peaceful resolution via diplomatic means, while avoiding unrealistic Argentine efforts to have us press the British on the issue of Falklands sovereignty. While Argentina is inclined to criticize our Central American policy, and support the non-aligned, a serious policy dialogue could develop greater understanding and the prospect of greater cooperation on multilateral questions.

~~SECRET~~

DECL:OADR

Bush Library Photocopy

The most serious and immediate bilateral issue is the implication of Argentina's recent announcement that it has mastered the process of enriching uranium, thereby giving it the potential to develop nuclear weapons. While proud of this achievement, the Radical Government may be more inclined to control the nuclear program. We must encourage the GOA to accept safeguards, preferably but not exclusively, via adherence to the NPT or the Treaty of Tlatelolco.

Key Specific Objectives Include:

1. Convey our support for Argentine democracy and our support for human rights improvement.
2. Stress the importance of safeguarding Argentine nuclear facilities.
3. Encourage peaceful negotiations to resolve the Beagle Channel and Falklands/Malvinas disputes.
4. Indicate our hope that Argentina will be successful in its negotiations with the IMF and commercial banks noting our willingness, where possible, to be helpful.

III. IN EL SALVADOR

Your primary objective is to impress the Salvadoran leadership with the need for specific changes in human rights, military, and political conduct. They must come about for Salvador to defeat the guerrillas and for Congress to provide needed military assistance.

El Salvador is in transition. The draft constitution is being debated; parties are maneuvering for March 25, 1984 presidential elections. The guerrillas have regained the initiative and right-wing death squad activity has increased sharply. There have been credible charges of several instances of serious abuses by the military. Peace Commission contact with the left is stalled.

Right-wing violence seriously undercuts our efforts to maintain US public/Congressional support for our Central American policy. Congressional efforts to restore the certification requirement are very likely.

Your goal should be to make clear our objectives in Central America and what we expect of the Salvadorans. Unfortunately, there is a clear correlation between the level of right-wing violence and the degree to which Salvadorans take US support for granted. They must understand that we may be forced to reduce or cut off military aid if they do not find the means to curb the violent right.

Key Specific Objectives Include:

1. Reinforcement of the reform process, primarily movement toward human rights and constitutional democracy, increased civilian control of the military, and judicial and land reform.
2. Adherence to the presidential election schedule and understanding of U.S. impartiality regarding the candidates.

MEMORANDUM

~~SECRET~~

OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 6, 1983

MEMORANDUM FOR THE VICE PRESIDENT

THROUGH: Admiral Murphy *[Signature]*
FROM: Don Gregg *[Signature]*
Philip Hughes *[Signature]*
SUBJECT: Your Trip to Argentina and El Salvador

Your visits to Argentina and El Salvador come at junctures which are important in different ways. In Argentina you will help celebrate the return of democratically elected civilian government after seven years of military rule. In El Salvador, you will be able to deliver a timely message underscoring the vital necessity of controlling death squad activities to ensure continuation of US support.

Argentina

Nuclear Program: In addition to voicing support for Argentina's return to democracy, we expect that the main point you will want to get across to President Alfonsin is the suggestion that Argentina take advantage of this opportunity to bring its nuclear program under full-scope IAEA safeguards. The recent announcement of development of an Argentine gaseous diffusion uranium enrichment capability adds impetus to this message. Moreover, Alfonsin may be particularly receptive to it. The Argentine nuclear program has operated as a closed, almost autonomous fraternity for thirty years. As part of his effort to assert the authority of his civilian government, Alfonsin may be receptive to IAEA safeguards as a means to get control of this program. The impending retirement of the program's director, retired Vice Admiral Costa Madero, may also help. However, we should be realistic. The Argentines are immensely proud of this nuclear program as one of the few things that work well in their society -- developed in spite of the opposition of other nuclear powers -- and they are sensitive to being relegated to permanent "second class" status by any demands to renounce it. Consequently, the best we might hope to do is use this opportunity to control the program, recognizing that the Argentines will not abandon it.

Debt: Alfonsin can be expected to make an appeal to you for special political leeway in dealing with Argentina's debt. He

~~SECRET~~

CLASSIFIED BY DONALD P. GREGG
DECL: DECEMBER 6, 2001

Bush Library Photocopy

~~SECRET~~

may suggest that, as a gesture of good will toward the new democratic government, we offer a package of special financing support to Argentina, much as we provided to Mexico and Brazil, to enable him to restart the Argentine economy. We can take encouragement from the fact that Alfonsin has pledged to repay Argentina's debt and should encourage his government to promptly work out a program with the IMF. Beyond this, you may simply want to hear him out and leave the detailed discussion for Deputy Treasury Secretary McNamar after your visit.

Central America: Although Alfonsin himself has been rather quiet about Central America, most of his foreign policy advisers -- including the young Foreign Minister Caputo -- hold deeply suspicious views of US motives, particularly concerning possible plans to invade Nicaragua after Grenada. They generally see the region's problems through the prism of the Socialist International. Aided by Senator Stone and Tony Motley, you may want to take advantage of your meeting with Alfonsin to present a more accurate and balanced picture of our goals in Central America.

Certification: While the announcement of US certification of Argentina for military deliveries will be behind us by the time of your visit, certification is not likely to be a major discussion point with Alfonsin. Our action in certifying Argentina "clears the country's name," so to speak, and permits us to renew a military relationship and move to close off an avenue of influence for the Soviets. But Alfonsin will undoubtedly be more interested in taking advantage of the military's disgrace and division after seven years of ineffective rule and a disastrous military defeat in the Falklands to assert civilian control over them, to remove them from politics, and to reorient their mission from internal security to homeland defense. Consequently, he will be less than enthusiastic about new arms purchases, especially given Argentina's debt, and, if we maintain too high a profile on this issue, may even suspect that we are hedging our bets with the military in the expectation that they will eventually stage another coup against him. (The Radicals will recall that their last government was deposed by military coup in 1966.)

Falklands: In response to Mrs. Thatcher's request to President Reagan, you will also want to express our hope that the Argentines move to normalize commercial and trade relations with Britain, as a step toward renewed diplomatic relations and a peaceful resolution of the Falklands dispute.

El Salvador

In El Salvador, your visit also comes at an important point. If we are unable to persuade the Salvadoran government to put an

-2-

~~SECRET~~

an end to the "death squad" activities and improve its military performance in the field, our ability to continue support for the Salvadoran government next year will be in serious jeopardy. You will be called upon to convey to the Salvadoran government a package of proposed measures to eliminate death squad activities and improve military performance, backed up by a "carrot" and a "stick" -- a promise to seek to treble military assistance in the next two years if the steps are taken and a threat not to even try for increased assistance, above the current inadequate level, if they are not.

This proposition is being made to the Salvadoran government at a critical juncture. In recent months death squad activity has reemerged from its dormancy, partly in an effort to derail or modify the new Constitution nearing completion. On the military front, after a period of military initiative and a promising beginning for pacification and civic action programs in the eastern provinces of San Vicente and Usulután, the military has suffered a number of reverses, including the mauling of one Cazador battalion and mass surrenders by another Cazador battalion and a National Police garrison. While the prognosis remains for a prolonged military stalemate, the persistence of these twin problems into January will endanger our ability to continue to support El Salvador with adequate aid. On the other hand, success in reaching agreement with the Salvadoran government on measures to combat these problems -- combined with renewed pressure for progress on the cases of American citizens who have been killed -- could help capitalize on some favorable recent developments:

- near completion of a new democratic constitution which should be promulgated this month;
- inclusion in the constitution of provisions to proceed with Phase II of the land reform -- counted as a dead letter for the last three years by all observers -- and a further extension of the Phase III "Land of the Tiller" program in the most heavily conflictive provinces;
- creation by Defense Minister Vides Casanova of six military "theater" commands to better coordinate field operations, beefing up of the High Command staff with more experienced, effective combat officers, and rotation of more effective combat officers into command of key units;
- the Defense Minister's strong speech last Friday vowing to take action against anyone participating in death squad activities, backed up by recent transfers of officers suspected of engaging in such activities to

~~SECRET~~

officers suspected of engaging in such activities to jobs from which they will lack the wherewithal to continue them. (Unfortunately, this falls short of our demand that these people be sent out of the country and often entails nominal "promotion" to less influential desk jobs.)

If we can work with the Salvadoran government on the twin problems of death squads and military performance, these developments can help us weather the current cycle of greater guerrilla initiative. We may then be set to capitalize on the March 25, 1984 Presidential elections which will probably boil down to a two-way race between Napoleon Duarte and Roberto d'Aubuisson, with the former expected to win at this point.

Panama

Your airport meeting with Panamanian President de la Espriella will provide an opportunity to express US support for conducting Panama's Presidential elections on schedule in May and to encourage Panama's increasingly active, constructive role in the Contadora process. With General Paredes' withdrawal from Presidential candidacy in September, leaving a vacuum in the field, de la Espriella and the new National Guard commander Noriega toyed with various ideas of postponing the elections and maintaining de la Espriella in office. Happily, these ideas are now mooted and the election is on track, though the candidates are by no means clear. Panama has also become more visibly concerned about the drift of the Nicaraguan regime and has taken a more active role in balancing Mexico's pro-Nicaraguan stance within the group, replacing Venezuela in this role as the Venezuelans have become more absorbed in their election politics. You will want to seek de la Espriella's assessment of developments in Nicaragua and the Sandinistas' latest overtures to their opponents and promises of democratization, as well as his view of the outlook for the Contadora process. You will also want to express personal appreciation for Panama's cooperation in enabling us to move against Panamanian-registered drug vessels on the high seas and growing Panamanian sensitivity to drug money laundering through the country.

-4-

~~SECRET~~

Bush Library Photocopy

MEMORANDUM

~~CONFIDENTIAL~~

OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 6, 1983

MEMORANDUM FOR THE VICE PRESIDENT

THROUGH: Admiral Murphy

FROM: Don Gregg *DS*
Philip Hughes *Philip*

SUBJECT: Briefings for your Trip to Argentina and Central
America

We have scheduled two briefings in preparation for your trip to Argentina, El Salvador, and Panama. The first briefing, scheduled for 4:30-5:30 p.m. tomorrow afternoon, will deal with El Salvador and Panama. This briefing will be given by Ambassador Tony Motley, Craig Johnstone, Deputy Assistant Secretary of State for Inter-American Affairs, Fred Ikle, Under Secretary of Defense for Policy, and Bob Vickers of the CIA. Topics to be covered include the following:

- Policy proposal to the Salvadoran government for the control of death squad activities.
- Improving Salvadoran military performance.
- Update on the Contadora process.
- Overview of Panamanian pre-election politics and evolving role in the Contadora group.

The briefers will also, of course, be prepared to cover any more general background information you require. Fred Ikle, who has recently visited El Salvador, would like to have a few minutes alone with you at the conclusion of the briefing to share some of his observations.

The second briefing, scheduled for 9:45-10:30 a.m. on Thursday, December 8, will focus on Argentina. Topics to be covered, and the corresponding briefers, are as follows:

- Outlook for the Alfonsin Government [REDACTED] CIA
- Argentine nuclear program Ambassador-at-Large Richard Kennedy
- Argentine debt situation Deputy Secretary of Treasury
Tim McNamara and Under Secretary
of the Treasury Beryl Sprinkel

~~CONFIDENTIAL~~

CLASSIFIED BY DONALD P. GREGG
DECL: DECEMBER 6, 1989

Bush Library Photocopy

~~CONFIDENTIAL~~

- Certification

- Falklands/Beagle Channel
disputes

- Human rights

} Ambassador Tony Motley and
Lowell Kilday, Deputy Assistant
Secretary of State for Inter-
American Affairs

~~CONFIDENTIAL~~

THE SECRETARY OF STATE
WASHINGTON

November 28, 1983

~~SECRET~~

MEMORANDUM FOR: THE PRESIDENT
FROM: George P. Shultz *WPS*
SUBJECT: Argentine Certification

I believe you should certify to Congress that Argentina has made significant improvements in human rights upon installation of the Alfonsin government on December 10, with public announcement of our intention December 7. The human rights situation there has improved dramatically, and certification will signal our strong support for the return of democracy in Argentina. The Argentine Armed Forces would prefer that certification take place while they are still in power. Our assessment is that, considering all the factors involved, certification should take effect upon installation of the new government. In our announcement of this decision, we will note the contribution of the Bignone government on successfully carrying out the return to democracy.

The UK and Chile are concerned about the political repercussions of certification, but their biggest fear is that subsequent arms sales to Argentina will threaten peace in the region. While certification makes US arms sales to Argentina once again possible it would not result in large, immediate weapons sales. The Argentines have bought heavily in Europe and are short of funds. In addition, President-elect Alfonsin is committed to slashing the military budget. We would handle any new requests on a case-by-case basis with particular attention to the effect of each sale on regional stability.

Mrs. Thatcher has spoken out very strongly against arms sales to Argentina. Until the government of Argentina announces an end to hostilities over the Falklands, we would consult closely with the British on arms sales requests. In her November 14 Guildhall speech, Thatcher stressed that the US is the ultimate guarantor of UK security and that occasional differences cannot obscure our shared values. This is a retreat from her earlier tough rhetoric and should not be ignored.

As a first step I have attached a letter from you to Mrs. Thatcher informing her of our scenario for certification. General Pinochet of Chile will also be disturbed. We plan to take steps to reassure him of our desire for close relations,

~~SECRET~~

DECL: OADR

Bush Library Photocopy

~~SECRET~~
- 2 -

even though we cannot now justify certification of Chile. If you approve we will send the letter to Mrs. Thatcher, begin consultations with Congress and shortly send you letters for President Pinochet, President Bignone and the actual certification document for your signature. Thatcher has asked that we delay certification, at least until the inauguration, to help her deal with domestic political pressures.

~~SECRET~~

~~SECRET~~

Proposed Certification Scenario

The following scenario is proposed once Presidential approval to certify is obtained:

- Immediately - Consult with the UK via a Presidential letter to Mrs. Thatcher and by calling in the British Ambassador;
- December 6 - Consult Congressional leadership;
- December 6 - Presidential letters delivered to President Bignone and President Pinochet indicating we expect to certify in the context of the inauguration;
- December 7 - Decision to certify is publicly announced at the noon briefing;
- December 10 - General Walters personally explains to President Pinochet our decision on Argentina and desire to certify Chile as soon as it meets the requirements set forth in US law;
- December 10 - Inauguration, and
- Week of December 12 - Actual certification documents delivered to the Congress.

Argentina. In the letter to President Bignone we would point out that we made the decision to certify: (a) to recognize improvements in Argentina's human rights situation; (b) to show our support for the return of democracy in Argentina, and (c) to establish a basis for a cooperative relationship with the Argentine Government. We would also note the role of the military in restoring democracy to Argentina.

In delivering such a message from the President, we would caution that any future arms sales would be looked at on a case-by-case basis, and we would urge the GOA to settle the Beagle Channel dispute. In our public announcement of certification, we would note the importance of the return to democracy.

~~SECRET~~

~~SECRET~~
-2-

Congress. To assure that they were informed about our intention, Deputy Assistant Secretary Michel advised key members of Congress of our intention to certify before Congress returns from its recess. No objections were raised by any of the Congressmen with whom he met.

United Kingdom. We would advise HMG of our decision on timing of certification and the proposed content of our announcement and on our position regarding future US arms supply to Argentina. We would inform HMG that:

- No sizeable early sales are anticipated; the most likely immediate requests will be for spare parts for US origin ships and aircraft.
- There may be some non-lethal requests approved during the first 6-12 months following certification (e.g., air traffic control radar systems).
- We intend to review very carefully all GOA requests and would not approve sales such as advanced fighter aircraft or missiles, that would increase significantly the threat of armed attack against the Falklands or represent a significant destabilization of the Argentina-Chile military balance.
- We will not authorize third country transfers except on the same terms that we would authorize sales from the US.
- At the same time, we note a continuation of business and large sales by West Germany, France, Italy and other NATO allies (including UK components ordered previously whose sale was authorized after the Falklands conflict). We do not intend to enter any form of arms race that would affect the military balance in the area; but we must be aware of important US commercial interests and our competitive position vis-a-vis other allied suppliers for routine or normal transactions.
- As the Deputy Secretary told Ambassador Wright on November 4, we will consult on arms requests with HMG.

Chile. We would seek to reduce the adverse impact in Chile of US certification of Argentina through: (a) an emissary to Pinochet explaining our decision, reaffirming our support for a negotiated solution to the Beagle Channel dispute and offering to review carefully future arms sales, so as not to contribute to a regional military imbalance;

~~SECRET~~

Bush Library Photocopy

~~SECRET~~
- 3 -

(b) continued support in helping Chile overcome its foreign debt problems, and (c) reaffirm our desire to certify Chile as soon as progress toward the return to democracy, and other human rights improvements, permit.

~~SECRET~~



WASHINGTON, THE DISTRICT OF COLUMBIA

November 28, 1983

Bud

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS, WHITE HOUSE

SUBJECT: Argentine Certification (U)

~~(S)~~ I do not believe we should issue the certification at this time for a number of reasons:

(1) As you know, Prime Minister Thatcher has repeatedly expressed her concern about certification and arms sales, insisting that US arms for Argentina would be "the single most difficult thing for me." Despite our careful and academic explanations, in the minds of the British general public, certification is considered to be a license for unrestricted US arms sales to the Argentine military. Mrs. Thatcher firmly believes that even a short delay of a few months after the new civilian government takes control in Argentina would be helpful in gaining UK public acceptance of Argentine certification.

(2) None of us know whether the new government in Argentina will show any marked improvement in either human rights or in its attitude to a new invasion of the Falklands. This government has not yet even taken office.

(3) With the INF deployments underway in the UK, this is a time of increased sensitivity in US/UK relations and has far-reaching consequences for the NATO Alliance.

(4) I also fear that certification will add fuel to the smouldering unhappiness that the British have (quite erroneously) about our invasion of Grenada. We need to be sensitive to the fact that in the present politico-military environment, Argentine certification puts an unnecessary strain on an already troubled relationship.

(5) Nor would certification, without arms sales, help our relationship with Argentina.

(6) Finally, there are other countries who have helped us more, such as Chile, with far greater claim to certification now than Argentina.

~~(S)~~ I understand Secretary Shultz has sent a memorandum to the President recommending that he certify to Congress that Argentina has made progress in human rights and deserves to be certified. Argentina may make some progress in human rights, but they haven't yet. Indeed there are even reports that their

CLASSIFIED BY SecDef
DECLASSIFY ON OADR

~~SECRET~~

Sec Def Cent Nr.:

X28239

T-8C

Bush Library Photocopy

military will not permit the new government to take office. Our need for continued UK cooperation in both the INF deployments and the reconstitution of a viable Grenada, and on many other matters, far outweigh the US interest in such an early certification of Argentina.

U) Request you convey my concerns to the President before he makes his decision on Argentine certification.

A handwritten signature in cursive script, appearing to read 'Sep'.